

Oral Testimony

Before the United States House of Representatives

Small Business Committee

Presented by National Ombudsman Michael L. Barrera

March 20, 2002

Thank you Chairman Manzullo and Ranking Member Velazquez for providing me this opportunity to comment on how the Office of the National Ombudsman can help to improve the regulatory environment for small businesses.

First of all, I would like to state that I look forward to working with the Committee and the new Chief Counsel for Advocacy, Tom Sullivan, to improve the regulatory and regulatory enforcement environment for our nation's 25.5 million small businesses. In fact, I have already met with staff from both the Senate and House and with Mr. Sullivan on several occasions to discuss how the Office of Advocacy and the Office of the National Ombudsman can work together to ensure a fair small business regulatory environment.

As Mr. Sullivan mentioned earlier we both agree that a strong working relationship with frequent communication between the two offices is critical to the SBA's mission of aiding and counseling America's small businesses and protecting small businesses against unnecessary regulatory burdens.

The President also recognizes the importance of regulatory fairness for small businesses and just yesterday unveiled his plan to help create an environment where small businesses can flourish. Some components of his plan include (1) issuing an executive order to provide greater enforcement powers to the Office of Advocacy; (2) instruction to the Director of OMB to seek the views and comments of small businesses on existing federal regulations, paperwork requirements and guidance documents; (3) instruction to the OMB and Advocacy to work together to strengthen the enforcement of the Regulatory Flexibility Act; and (4) increasing the coordination between OIRA and Advocacy;

Along those lines, Mr. Sullivan and I have taken the initiative to strengthen the complementary roles we each play in working to benefit small businesses. Like Tom, I am also pleased to announce that as of today, we have signed a Memorandum of Understanding that while maintaining our independence, enhances our relationship that will enable us to put forth our best efforts to assist the small business community.

As a part of SBA, the SBA National Ombudsman can communicate small business issues directly to the SBA Administrator and appropriate program managers.

Administrator Barreto has recognized the importance of the SBA National Ombudsman and stresses to the SBA's field offices to use my office as another tool to assist and protect small businesses.

The mission of the SBA National Ombudsman is now more relevant and more effective than ever before because it is now a core function of the SBA and its services are available at the grassroots level through local SBA offices.

I believe that Administrator Barreto underscored his commitment to regulatory fairness by making the appointment of the National Ombudsman one of his first after his

confirmation. Since that time, the Office of the National Ombudsman has held six regulatory enforcement fairness hearings and six regulatory enforcement fairness roundtables.

We plan to have at least one hearing and one roundtable in each region. This increase in hearings and roundtables is directly attributed to Administrator Barreto's commitment to make the mission of this office a core function of the SBA.

In addition to the increase in the number of hearings, attendance at the hearings and roundtables has also increased dramatically. For example, attendance at our RegFair hearings in Orlando and Albuquerque drew crowds of approximately 70 and 80 small business owners and other interested parties respectively.

Additionally, through the efforts and contacts of our district field offices, we have received excellent news coverage for our hearings. This support greatly assists our office in marketing the resources of the SBA National Ombudsman.

As demonstrated by this committee's March 6, 2002 hearing on the Regulatory Flexibility Act, there is a continued need to eliminate unnecessary regulatory burdens on America's small businesses.

On behalf of President Bush, Administrator Barreto, and the Office of the SBA National Ombudsman, I look forward to working with the Chief Counsel, our legislative partners and the nation's small businesses to eliminate unnecessary regulatory burdens and excessive regulatory enforcement on our nation's entrepreneurs.

Thank you for the opportunity to appear here today. I will be happy to answer any questions.

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